

Adopted	Rejected
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COMMITTEE REPORT

YES:	11
NO:	0

MR. SPEAKER:

*Your Committee on Courts and Criminal Code, to which was referred Senate Bill 357, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 26-1-9.1-109, AS ADDED BY P.L.57-2000,
- 4 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2001]: Sec. 109. (a) Except as otherwise provided in
- 6 subsections (c) and (d), IC 26-1-9.1 applies to:
- 7 (1) a transaction, regardless of its form, that creates a security
- 8 interest in personal property or fixtures by contract;
- 9 (2) an agricultural lien;
- 10 (3) a sale of accounts, chattel paper, payment intangibles, or
- 11 promissory notes;
- 12 (4) a consignment;
- 13 (5) a security interest arising under IC 26-1-2-401, IC 26-1-2-505,

- 1 IC 26-1-2-711(3), or IC 26-1-2.1-508(5), as provided in
2 IC 26-1-9.1-110;
- 3 (6) a security interest arising under IC 26-1-4-210 or
4 IC 26-1-5.1-118; and
- 5 (7) a transfer of an interest or a claim in a contractual right of a
6 person to receive commissions or other compensation payable by
7 an insurer (as defined in IC 27-1-2-3).
- 8 (b) The application of IC 26-1-9.1 to a security interest in a secured
9 obligation is not affected by the fact that the obligation is itself secured
10 by a transaction or interest to which IC 26-1-9.1 does not apply.
- 11 (c) IC 26-1-9.1 does not apply to the extent that:
- 12 (1) a statute, regulation, or treaty of the United States preempts
13 IC 26-1-9.1; or
- 14 (2) the rights of a transferee beneficiary or nominated person
15 under a letter of credit are independent and superior under
16 IC 26-1-5.1-114.
- 17 (d) IC 26-1-9.1 does not apply to:
- 18 (1) a landlord's lien, other than an agricultural lien;
- 19 (2) a lien, other than an agricultural lien, given by statute or other
20 rule of law for services or materials, but IC 26-1-9.1-333 applies
21 with respect to priority of the lien;
- 22 (3) an assignment of a claim for wages, salary, or other
23 compensation of an employee;
- 24 (4) a sale of accounts, chattel paper, payment intangibles, or
25 promissory notes as part of a sale of the business out of which
26 they arose;
- 27 (5) an assignment of accounts, chattel paper, payment intangibles,
28 or promissory notes that is for the purpose of collection only;
- 29 (6) an assignment of a right to payment under a contract to an
30 assignee that is also obligated to perform under the contract;
- 31 (7) an assignment of a single account, payment intangible, or
32 promissory note to an assignee in full or partial satisfaction of a
33 preexisting indebtedness;
- 34 (8) a transfer of an interest in or an assignment of a claim under
35 a policy of insurance, other than a transfer described in subsection
36 (a)(7), or an assignment by or to a health-care provider of a
37 health-care-insurance receivable and any subsequent assignment
38 of the right to payment, but IC 26-1-9.1-315 and IC 26-1-9.1-322

- 1 apply with respect to proceeds and priorities in proceeds;
 2 (9) an assignment of a right represented by a judgment, other than
 3 a judgment taken on a right to payment that was collateral;
 4 (10) a right of recoupment or set-off, but:
 5 (A) IC 26-1-9.1-340 applies with respect to the effectiveness
 6 of rights of recoupment or set-off against deposit accounts; and
 7 (B) IC 26-1-9.1-404 applies with respect to defenses or claims
 8 of an account debtor;
 9 (11) the creation or transfer of an interest in or lien on real
 10 property, including a lease or rents thereunder, except to the
 11 extent that provision is made for:
 12 (A) liens on real property in IC 26-1-9.1-203 and
 13 IC 26-1-9.1-308;
 14 (B) fixtures in IC 26-1-9.1-334;
 15 (C) fixture filings in IC 26-1-9.1-501, IC 26-1-9.1-502,
 16 IC 26-1-9.1-512, IC 26-1-9.1-516, and IC 26-1-9.1-519; and
 17 (D) security agreements covering personal and real property in
 18 IC 26-1-9.1-604;
 19 (12) an assignment of a claim arising in tort, other than a
 20 commercial tort claim, but IC 26-1-9.1-315 and IC 26-1-9.1-322
 21 apply with respect to proceeds and priorities in proceeds;
 22 (13) an assignment of a deposit account in a consumer
 23 transaction, but IC 26-1-9.1-315 and IC 26-1-9.1-322 apply with
 24 respect to proceeds and priorities in proceeds;
 25 (14) the creation, perfection, priority, or enforcement of a security
 26 interest created by the state, another state, or a foreign country, or
 27 a governmental unit of the state, another state or a foreign
 28 country; ~~or~~
 29 (15) a pledge of revenues, other money, or property made under
 30 IC 5-1-14-4;
 31 **(16) a claim or right to receive compensation for injuries or**
 32 **sickness as described in 26 U.S.C. 104(a)(1) or (a)(2); or**
 33 **(17) a claim or right to receive benefits under a special need**
 34 **trust as described in 42 U.S.C. 139p(d)(4).**

35 SECTION 2. IC 26-1-9.1-304, AS ADDED BY P.L.57-2000,
 36 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2001]: Sec. 304. (a) The local law of a bank's jurisdiction
 38 governs perfection, the effect of perfection or nonperfection, and the

1 priority of a security interest in a deposit account maintained with that
2 bank.

3 (b) The following rules determine a bank's jurisdiction for purposes
4 of ~~this part~~: **IC 26-1-9.1-301 through IC 26-1-9.1-342:**

5 (1) If an agreement between the bank and the debtor governing
6 the deposit account expressly provides that a particular
7 jurisdiction is the bank's jurisdiction for purposes of IC 26-1, that
8 jurisdiction is the bank's jurisdiction.

9 (2) If subdivision (1) does not apply and an agreement between
10 the bank and its customer governing the deposit account expressly
11 provides that the agreement is governed by the law of a particular
12 jurisdiction, that jurisdiction is the bank's jurisdiction.

13 (3) If neither subdivision (1) nor subdivision (2) applies, and an
14 agreement between the bank and its customer governing the
15 deposit account expressly provides that the deposit account is
16 maintained at an office in a particular jurisdiction, that
17 jurisdiction is the bank's jurisdiction.

18 (4) If none of the preceding subdivisions apply, the bank's
19 jurisdiction is the jurisdiction in which the office identified in an
20 account statement as the office serving the customer's account is
21 located.

22 (5) If none of the preceding subdivisions apply, the bank's
23 jurisdiction is the jurisdiction in which the chief executive office
24 of the bank is located.

25 SECTION 3. IC 26-1-9.1-305, AS ADDED BY P.L.57-2000,
26 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2001]: Sec. 305. (a) Except as otherwise provided in
28 subsection (c), the following rules apply:

29 (1) While a security certificate is located in a jurisdiction, the
30 local law of that jurisdiction governs perfection, the effect of
31 perfection or nonperfection, and the priority of a security interest
32 in the certificated security represented thereby.

33 (2) The local law of the issuer's jurisdiction as specified in
34 IC 26-1-8.1-110(d) governs perfection, the effect of perfection or
35 nonperfection, and the priority of a security interest in an
36 uncertificated security.

37 (3) The local law of the securities intermediary's jurisdiction as
38 specified in IC 26-1-8.1-110(e) governs perfection, the effect of

1 perfection or nonperfection, and the priority of a security interest
2 in a security entitlement or securities account.

3 (4) The local law of the commodity intermediary's jurisdiction
4 governs perfection, the effect of perfection or nonperfection, and
5 the priority of a security interest in a commodity contract or
6 commodity account.

7 (b) The following rules determine a commodity intermediary's
8 jurisdiction for purposes of ~~this part~~ **IC 26-1-9.1-301 through**
9 **IC 26-1-9.1-342:**

10 (1) If an agreement between the commodity intermediary and
11 commodity customer governing the commodity account expressly
12 provides that a particular jurisdiction is the commodity
13 intermediary's jurisdiction for purposes of IC 26-1, that
14 jurisdiction is the commodity intermediary's jurisdiction.

15 (2) If subdivision (1) does not apply, and an agreement between
16 the commodity intermediary and commodity customer governing
17 the commodity account expressly provides that the agreement is
18 governed by the law of a particular jurisdiction, that jurisdiction
19 is the commodity intermediary's jurisdiction.

20 (3) If neither subdivision (1) nor subdivision (2) applies, and an
21 agreement between the commodity intermediary and commodity
22 customer governing the commodity account expressly provides
23 that the commodity account is maintained at an office in a
24 particular jurisdiction, that jurisdiction is the commodity
25 intermediary's jurisdiction.

26 (4) If none of the preceding subdivisions apply, the commodity
27 intermediary's jurisdiction is the jurisdiction in which the office
28 identified in an account statement as the office serving the
29 commodity customer's account is located.

30 (5) If none of the preceding subdivisions apply, the commodity
31 intermediary's jurisdiction is the jurisdiction in which the chief
32 executive office of the commodity intermediary is located.

33 (c) The local law of the jurisdiction in which the debtor is located
34 governs:

35 (1) perfection of a security interest in investment property by
36 filing;

37 (2) automatic perfection of a security interest in investment
38 property created by a broker or securities intermediary; and

(3) automatic perfection of a security interest in a commodity contract or commodity account created by a commodity intermediary.

SECTION 4. IC 26-1-9.1-306, AS ADDED BY P.L.57-2000, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 306. (a) Subject to subsection (c), the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.

(b) For purposes of ~~this part~~, **IC 26-1-9.1-301 through IC 26-1-9.1-342**, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in IC 26-1-5.1-116.

(c) This section does not apply to a security interest that is perfected only under IC 26-1-9.1-308(d).

SECTION 5. IC 26-1-9.1-307, AS ADDED BY P.L.57-2000, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 307. (a) In this section, "place of business" means a place where a debtor conducts its affairs.

(b) Except as otherwise provided in this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence.

(2) A debtor that is an organization and has only one (1) place of business is located at its place of business.

(3) A debtor that is an organization and has more than one (1) place of business is located at its chief executive office.

(c) Subsection (b) applies only if a debtor's residence, place of business, or chief executive office, as applicable, is located in a jurisdiction whose law generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection (b) does not apply, the debtor is located in the District of Columbia.

(d) A person that ceases to exist, have a residence, or have a place

1 of business continues to be located in the jurisdiction specified by
2 subsections (b) and (c).

3 (e) A registered organization that is organized under the law of a
4 state is located in that state.

5 (f) Except as otherwise provided in subsection (i), a registered
6 organization that is organized under the law of the United States and a
7 branch or agency of a bank that is not organized under the law of the
8 United States or a state are located:

9 (1) in the state that the law of the United States designates, if the
10 law designates a state of location;

11 (2) in the state that the registered organization, branch, or agency
12 designates, if the law of the United States authorizes the
13 registered organization, branch, or agency to designate its state of
14 location; or

15 (3) in the District of Columbia, if neither paragraph (1) nor
16 paragraph (2) applies.

17 (g) A registered organization continues to be located in the
18 jurisdiction specified by subsection (e) or (f) notwithstanding:

19 (1) the suspension, revocation, forfeiture, or lapse of the
20 registered organization's status as such in its jurisdiction of
21 organization; or

22 (2) the dissolution, winding up, or cancellation of the existence of
23 the registered organization.

24 (h) The United States is located in the District of Columbia.

25 (i) A branch or agency of a bank that is not organized under the law
26 of the United States or a state is located in the state in which the branch
27 or agency is licensed, if all branches and agencies of the bank are
28 licensed in only one state.

29 (j) A foreign air carrier under the Federal Aviation Act of 1958, as
30 amended, is located at the designated office of the agent upon which
31 service of process may be made on behalf of the carrier.

32 (k) This section applies only for purposes of ~~this part~~.
33 **IC 26-1-9.1-301 through IC 26-1-9.1-342."**

34 Page 2, between lines 16 and 17, begin a new paragraph and insert:
35 "SECTION 7. IC 26-1-9.1-319, AS ADDED BY P.L.57-2000,
36 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2001]: Sec. 319. (a) Except as otherwise provided in
38 subsection (b), for purposes of determining the rights of creditors of,

1 and purchasers for value of goods from, a consignee, while the goods
 2 are in the possession of the consignee, the consignee has rights and title
 3 to the goods identical to those the consignor had or had power to
 4 transfer.

5 (b) For purposes of determining the rights of a creditor of a
 6 consignee, law other than this article determines the rights and title of
 7 a consignee while goods are in the consignee's possession if, under ~~this~~
 8 **part, IC 26-1-9.1-301 through IC 26-1-9.1-342**, a perfected security
 9 interest held by the consignor would have priority over the rights of the
 10 creditor.

11 SECTION 8. IC 26-1-9.1-322, AS ADDED BY P.L.57-2000,
 12 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2001]: Sec. 322. (a) Except as otherwise provided in this
 14 section, priority among conflicting security interests and agricultural
 15 liens in the same collateral is determined according to the following
 16 rules:

17 (1) Conflicting perfected security interests and agricultural liens
 18 rank according to priority in time of filing or perfection. Priority
 19 dates from the earlier of the time a filing covering the collateral
 20 is first made or the security interest or agricultural lien is first
 21 perfected, if there is no period thereafter when there is neither
 22 filing nor perfection.

23 (2) A perfected security interest or agricultural lien has priority
 24 over a conflicting unperfected security interest or agricultural
 25 lien.

26 (3) The first security interest or agricultural lien to attach or
 27 become effective has priority if conflicting security interests and
 28 agricultural liens are unperfected.

29 (b) For the purposes of subsection (a)(1):

30 (1) the time of filing or perfection as to a security interest in
 31 collateral is also the time of filing or perfection as to a security
 32 interest in proceeds; and

33 (2) the time of filing or perfection as to a security interest in
 34 collateral supported by a supporting obligation is also the time of
 35 filing or perfection as to a security interest in the supporting
 36 obligation.

37 (c) Except as otherwise provided in subsection (f), a security interest
 38 in collateral which qualifies for priority over a conflicting security

interest under IC 26-1-9.1-327, IC 26-1-9.1-328, IC 26-1-9.1-329, IC 26-1-9.1-330, or IC 26-1-9.1-331 also has priority over a conflicting security interest in:

(1) any supporting obligation for the collateral; and

(2) proceeds of the collateral if:

(A) the security interest in proceeds is perfected;

(B) the proceeds are cash proceeds or of the same type as the collateral; and

(C) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.

(d) Subject to subsection (e) and except as otherwise provided in subsection (f), if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.

(e) Subsection (d) applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.

(f) Subsections (a) through (e) are subject to:

(1) subsection (g) and ~~the other provisions of this part;~~
IC 26-1-9.1-301 through IC 26-1-9.1-342;

(2) IC 26-1-4-210 with respect to a security interest of a collecting bank;

(3) IC 26-1-5.1-118 with respect to a security interest of an issuer or nominated person; and

(4) IC 26-1-9.1-110 with respect to a security interest arising under IC 26-1-2 or IC 26-1-2.1.

(g) A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.

SECTION 9. IC 26-1-9.1-335, AS ADDED BY P.L.57-2000, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 335. (a) A security interest may be created in an accession and continues in collateral that becomes an accession.

(b) If a security interest is perfected when the collateral becomes an accession, the security interest remains perfected in the collateral.

(c) Except as otherwise provided in subsection (d), the other provisions of IC 26-1-9.1-301 through IC 26-1-9.1-342 determine the priority of a security interest in an accession.

(d) A security interest in an accession is subordinate to a security interest in the whole which is perfected by compliance with the requirements of a certificate-of-title statute under IC 26-1-9.1-311(b).

(e) After default, subject to ~~subsection (f)~~, **IC 26-1-9.1-601 through IC 26-1-9.1-628**, a secured party may remove an accession from other goods if the security interest in the accession has priority over the claims of every person having an interest in the whole.

(f) A secured party that removes an accession from other goods under subsection (e) shall promptly reimburse any holder of a security interest or other lien on, or owner, of the whole or the other goods, other than the debtor, for the cost of repair of any physical injury to the whole or the other goods. The secured party need not reimburse the holder or owner for any diminution in value of the whole or the other goods caused by the absence of the accession removed or by any necessity for replacing it. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse."

Page 3, after line 42, begin a new paragraph and insert:

"SECTION 11. IC 26-1-9.1-501, AS ADDED BY P.L.57-2000, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 501. (a) Except as otherwise provided in subsections (b), ~~and (c)~~, **and (d)**, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

(1) the office designated for the filing or recording of a record of a mortgage on the related real property, if:

(A) the collateral is as-extracted collateral or timber to be cut;
or

(B) the financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

(2) the office of the secretary of state, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

(b) The office in which to file a financing statement to perfect a

1 security interest in collateral, including fixtures, of a transmitting utility
 2 is the office of the secretary of state. The financing statement also
 3 constitutes a fixture filing as to the collateral indicated in the financing
 4 statement which is or is to become fixtures.

5 **(c) Before July 1, 2002, the requirements for perfection of an**
 6 **agricultural lien are as prescribed in the statute establishing the**
 7 **agricultural lien.**

8 **(d)** Before July 1, 2002, the office in which to file a financing
 9 statement to perfect a security interest ~~or agricultural lien~~ in

10 ~~(1)~~ equipment used in a farming operation,

11 ~~(2)~~ a farm product, or

12 ~~(3)~~ an account or a general intangible arising from or relating to
 13 the sale of a farm product by a farmer

14 is: ~~the office of county recorder in the county of the debtor's location,~~
 15 ~~as determined under IC 26-1-9.1-307:~~

16 **(1) the office of the county recorder in the county of the**
 17 **debtor's principal residence, if the debtor is an individual with**
 18 **the debtor's principal residence in Indiana;**

19 **(2) the office of the county recorder in the county of the**
 20 **debtor's place of business, if the debtor is an organization**
 21 **with one (1) place of business in Indiana;**

22 **(3) the office of the county recorder in the county of the**
 23 **debtor's chief executive office, if the debtor is an organization**
 24 **with two (2) or more places of business in Indiana and the**
 25 **debtor's chief executive office is in Indiana; and**

26 **(4) the office of the county recorder in the county in which the**
 27 **collateral is located, for equipment used in a farming**
 28 **operation or farm product, or the office of the secretary of**
 29 **state, for an account or a general intangible arising from or**
 30 **relating to the sale of a farm product by a farmer, in all other**
 31 **cases.**

32 ~~(d)~~ **(e)** A financing statement filed under subsection ~~(c)~~ **(d)** is
 33 effective for five (5) years after the date the financing statement is
 34 filed.

35 ~~(e)~~ **(f)** After June 30, 2001, and before July 1, 2002, a financing
 36 statement filed under subsection ~~(c)~~ **(d)** may be amended only by filing
 37 an amendment in the same office of county recorder as the office in
 38 which the financing statement being amended was filed.

1 ~~(f)~~ **(g)** After June 30, 2002, a financing statement filed under
 2 subsection ~~(c)~~ **(d)** may be amended only if a replacement financing
 3 statement is filed in the office of the secretary of state. The replacement
 4 financing statement must:

5 (1) satisfy the requirements of IC 26-1-9.1 for an initial financing
 6 statement;

7 (2) identify the earlier financing statement filed under subsection
 8 ~~(c)~~ **(d)** by:

9 (A) indicating the office in which the earlier financing
 10 statement was filed; and

11 (B) providing the dates of filing and file numbers, if any, of:

12 (i) the earlier financing statement filed under subsection ~~(c)~~;
 13 **(d)**; and

14 (ii) the most recent amendment filed with respect to the
 15 financing statement filed under subsection ~~(c)~~ **(d)**; and

16 (3) indicate that the earlier financing statement filed under
 17 subsection ~~(c)~~ **(d)** remains effective.

18 ~~(g)~~ **(h)** The filing of a replacement financing statement under
 19 subsection ~~(f)~~ **(g)** is effective as a continuation statement of the earlier
 20 financing statement filed under subsection ~~(c)~~ **(d)** if it is filed:

21 (1) after June 30, 2002; and

22 (2) before the lapse of the earlier financing statement filed under
 23 subsection ~~(c)~~ **(d)**.

24 The filing of a replacement financing statement under subsection ~~(f)~~ **(g)**
 25 continues the effectiveness of the earlier financing statement filed
 26 under subsection ~~(c)~~ **(d)** for five (5) years after the date the replacement
 27 financing statement is filed.

28 ~~(h)~~ **(i)** After June 30, 2002, a financing statement filed under
 29 subsection ~~(c)~~ **(d)** may be terminated: ~~only if:~~

30 (1) ~~a replacement financing statement is filed under subsection~~
 31 ~~(f); and by filing a termination statement in the office in which~~
 32 ~~the initial financing statement has been filed if no replacement~~
 33 ~~financing statement has been filed under subsection (g); or~~
 34 (2) ~~a termination statement has been filed that satisfies~~
 35 ~~IC 26-1-9.1-513; by filing a termination statement in the office~~
 36 ~~of the secretary of state if a replacement financing statement~~
 37 ~~has been filed under subsection (g).~~

38 ~~(i)~~ **(j)** After June 30, 2002, a financing statement filed under

1 subsection ~~(e)~~ (d) may be assigned only if:

2 (1) a replacement financing statement is filed under subsection

3 ~~(f)~~; (g); and

4 (2) an assignment of record is filed that satisfies IC 26-1-9.1-514.

5 ~~(j)~~ (k) After June 30, 2002, a financing statement filed under
6 subsection (c) may be amended (for purposes other than continuation,
7 termination, or assignment) only if:

8 (1) a replacement financing statement is filed under subsection

9 ~~(f)~~; (g); and

10 (2) an amendment is filed that satisfies IC 26-1-9.1-512."

11 Page 5, line 7, after "sufficiency" insert "**or effectiveness**".

12 Page 6, between lines 25 and 26 begin a new paragraph and insert:

13 "SECTION 15. IC 26-1-9.1-523, AS ADDED BY P.L.57-2000,
14 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2001]: Sec. 523. (a) If a person that files a written record
16 requests an acknowledgment of the filing, the filing office shall send
17 to the person an image of the record showing the number assigned to
18 the record pursuant to IC 26-1-9.1-519(a)(1) and the date and time of
19 the filing of the record. However, if the person furnishes a copy of the
20 record to the filing office, the filing office may instead:

21 (1) note upon the copy the number assigned to the record pursuant
22 to IC 26-1-9.1-519(a)(1) and the date and time of the filing of the
23 record; and

24 (2) send the copy to the person.

25 (b) If a person files a record other than a written record, the filing
26 office shall communicate to the person an acknowledgment that
27 provides:

28 (1) the information in the record;

29 (2) the number assigned to the record pursuant to
30 IC 26-1-9.1-519(a)(1); and

31 (3) the date and time of the filing of the record.

32 (c) The filing office shall communicate or otherwise make available
33 in a record the following information to any person that requests it:

34 (1) whether there is on file on a date and time specified by the
35 filing office, but not a date earlier than three (3) business days
36 before the filing office receives the request, any financing
37 statement that:

38 (A) designates a particular debtor or, if the request so states,

- 1 designates a particular debtor at the address specified in the
 2 request;
 3 (B) has not lapsed under IC 26-1-9.1-515 with respect to all
 4 secured parties of record; and
 5 (C) if the request so states, has lapsed under IC 26-1-9.1-515
 6 and a record of which is maintained by the filing office under
 7 IC 26-1-9.1-522(a);
 8 (2) the date and time of filing of each financing statement; and
 9 (3) the information provided in each financing statement.
- 10 (d) In complying with its duty under subsection (c), the filing office
 11 may communicate information in any medium. However, if requested,
 12 the filing office shall communicate information by issuing its written
 13 certificate.
- 14 (e) The filing office shall perform the acts required by subsections
 15 (a) through (d) at the time and in the manner prescribed by filing-office
 16 rule, but not later than two (2) business days after the filing office
 17 receives the request.
- 18 (f) At least weekly, the secretary of state shall offer to sell or license
 19 to the public on a nonexclusive basis, in bulk, copies of all records filed
 20 in it under ~~this part~~, **IC 26-1-9.1-501 through IC 26-1-9.1-527**, in
 21 every medium from time to time available to the filing office.
- 22 SECTION 16. IC 26-1-9.1-525, AS ADDED BY P.L.57-2000,
 23 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2001]: Sec. 525. (a) Except as otherwise provided in
 25 subsection (e), the fee for filing and indexing a record under ~~this part~~,
 26 **IC 26-1-9.1-501 through IC 26-1-9.1-527**, other than an initial
 27 financing statement of the kind described in IC 26-1-9.1-502(c), is:
 28 (1) four dollars (\$4) if the record is communicated in writing and
 29 consists of one (1) or two (2) pages;
 30 (2) eight dollars (\$8) if the record is communicated in writing and
 31 consists of more than two (2) pages; and
 32 (3) four dollars (\$4) if the record is communicated by another
 33 medium authorized by filing-office rule.
- 34 (b) Except as otherwise provided in subsection (e), the fee for filing
 35 and indexing an initial financing statement of the kind described in
 36 IC 26-1-9.1-502(c) is the amount specified in subsection (c), if
 37 applicable, plus:
 38 (1) eight dollars (\$8) if the financing statement indicates that it is

1 filed in connection with a public-finance transaction; and

2 (2) eight dollars (\$8) if the financing statement indicates that it is
3 filed in connection with a manufactured-home transaction.

4 (c) Except as otherwise provided in subsection (e), if a record is
5 communicated in writing, the fee for each name more than two (2)
6 required to be indexed is one dollar (\$1).

7 (d) The fee for responding to a request for information from the
8 filing office, including for issuing a certificate showing whether there
9 is on file any financing statement naming a particular debtor, is:

10 (1) one dollar (\$1) if the request is communicated in writing; and

11 (2) one dollar (\$1) if the request is communicated by another
12 medium authorized by filing-office rule.

13 (e) This section does not require a fee with respect to a record of a
14 mortgage which is effective as a financing statement filed as a fixture
15 filing or as a financing statement covering as-extracted collateral or
16 timber to be cut under IC 26-1-9.1-502(c). However, the recording and
17 satisfaction fees that otherwise would be applicable to the record of the
18 mortgage apply.

19 SECTION 17. IC 26-1-9.1-526, AS ADDED BY P.L.57-2000,
20 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2001]: Sec. 526. (a) The secretary of state shall adopt and
22 publish rules to implement IC 26-1-9.1. The filing-office rules must be
23 consistent with IC 26-1-9.1.

24 (b) To keep the filing-office rules and practices of the filing office
25 in harmony with the rules and practices of filing offices in other
26 jurisdictions that enact substantially ~~this part, IC 26-1-9.1-501 through~~
27 **IC 26-1-9.1-527**, and to keep the technology used by the filing office
28 compatible with the technology used by filing offices in other
29 jurisdictions that enact substantially ~~this part, IC 26-1-9.1-501 through~~
30 **IC 26-1-9.1-527**, the secretary of state, so far as is consistent with the
31 purposes, policies, and provisions of IC 26-1-9.1, in adopting,
32 amending, and repealing filing-office rules, shall:

33 (1) consult with filing offices in other jurisdictions that enact
34 substantially ~~this part, IC 26-1-9.1-501 through~~
35 **IC 26-1-9.1-527**;

36 (2) consult the most recent version of the Model Rules
37 promulgated by the International Association of Corporate
38 Administrators or any successor organization; and

(3) take into consideration the rules and practices of, and the technology used by, filing offices in other jurisdictions that enact substantially ~~this part~~ **IC 26-1-9.1-501 through IC 26-1-9.1-527.**".

Page 7, between lines 41 and 42 begin a new paragraph and insert:
 "SECTION 19. IC 26-1-9.1-626, AS ADDED BY P.L.57-2000, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 626. In an action arising from a transaction in which the amount of a deficiency or surplus is in issue, the following rules apply:

(1) A secured party need not prove compliance with the provisions of IC 26-1-9.1-601 through IC 26-1-9.1-628 relating to collection, enforcement, disposition, or acceptance unless the debtor or a secondary obligor places the secured party's compliance in issue.

(2) If the secured party's compliance is placed in issue, the secured party has the burden of establishing that the collection, enforcement, disposition, or acceptance was conducted in accordance with ~~this part~~ **IC 26-1-9.1-601 through IC 26-1-9.1-628.**

(3) Except as otherwise provided in IC 26-1-9.1-628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of IC 26-1-9.1-601 through IC 26-1-9.1-628 relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, expenses, and attorney's fees exceeds the greater of:

(A) the proceeds of the collection, enforcement, disposition, or acceptance; or

(B) the amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of IC 26-1-9.1-601 through IC 26-1-9.1-628 relating to collection, enforcement, disposition, or acceptance.

(4) For purposes of subdivision (3)(B), the amount of proceeds that would have been realized is equal to the sum of the secured obligation, expenses, and attorney's fees unless the secured party proves that the amount is less than that sum.

(5) If a deficiency or surplus is calculated under IC 26-1-9.1-615(f), the debtor or obligor has the burden of establishing that the amount of proceeds of the disposition is significantly below the range of prices that a complying disposition to a person other than the secured party, a person related to the secured party, or a secondary obligor would have brought."

Page 8, line 31, strike "subsection (c)," and insert "**IC 26-1-9.1-301 through IC 26-1-9.1-342,**".

Page 8, line 38, strike "subsection (c) provides" and insert "**IC 26-1-9.1-301 through IC 26-1-9.1-342 provide**".

Page 9, after line 4, begin a new paragraph and insert:

"SECTION 21. IC 32-7-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 18. (a) In all cases where a tenant agrees to pay as rent a part of the crop raised on the leased premises, or rent in kind, or a cash rent, the landlord may have a lien on the crop raised under such contract, for the payment of such rent, which lien, if the tenant refuses or neglects to pay or deliver to the landlord such rent when due, may be enforced by sale of such crop in the same manner the lien of a chattel mortgage containing a power to sell.

(b) Any landlord desiring to acquire a lien on the crop raised under such contract, on such leased premises, shall file in the ~~recorder's office of the county in which such leased premises is located,~~ **proper place specified in IC 26-1-9.1-501** at any time thirty (30) days prior to the maturity of such crop, and during the year in which such crop is grown, **a financing statement giving** notice of his intention to hold a lien upon such crop for the amount of such rent, specifically setting forth the amount claimed and giving a substantial description of the lands on which such crop is being grown sufficiently precise to identify such lands.

~~(c) The recorder shall record the notice, when presented, in the miscellaneous record book, for which he shall receive fees in accordance with IC 36-2-7-10.~~

~~(d)~~ **(c)** All liens so created shall relate to the time of ~~recording~~ **filing** and shall have priority over all liens suffered or created thereafter. However, this section does not prohibit the tenant, after notice in writing to the landlord or his agent, from removing from such leased

1 premises his own part of said growing crop, and no more than such
 2 part, and from also disposing of the same whenever the rent is to be
 3 paid in part of the crop raised, and in other cases he may remove not
 4 more than one-half (1/2) of the crop growing or matured.

5 SECTION 22. IC 32-8-33-1 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. The owner or
 7 operator of any machine or tools used in threshing or hulling grain or
 8 seeds or in the plowing, disking or cultivating of land for the
 9 production of crops or in the combining, picking, baling of crops shall
 10 have and hold a lien upon such grain or seed threshed or hulled with
 11 such machine or upon the crops produced or prepared for market or
 12 storage by such plowing, disking, cultivating, combining, baling or
 13 picking to secure payment to him by the owner of the crops produced
 14 or partially produced by such service as may be agreed upon, and if no
 15 charges are agreed upon, then for such charges as may be reasonable
 16 for such work. Such owner or operator of such machine shall file in the
 17 ~~recorder's office of the county where such work is done~~ **proper place**
 18 **specified in IC 26-1-9.1-501** a **financing statement giving** notice of
 19 such lien, which notice shall designate the name of the person for
 20 whom such work was done, the amount due for such service, and the
 21 particular crops covered by such lien, the place where such crops are
 22 located, together with the date on which said work was done, which
 23 notice shall be filed within thirty (30) days after the completion of such
 24 work, where such work was plowing, disking or cultivating and within
 25 ten (10) days after the completion of such work where such work was
 26 combining, baling or picking.

27 In the event the party for whom said work was done desires to sell
 28 or deliver the crops, such party shall notify such consignee or purchaser
 29 that the account for service of such machine has not been paid, and the
 30 lien herein given on said crops shall shift from said crops to the
 31 purchase-price thereof in the hands of the purchaser or consignee
 32 above specified.

33 In the event said crops are sold or consigned with the consent and
 34 knowledge of the party entitled to a lien thereon, such lien shall not
 35 attach to such crops or to the purchase-price thereof unless said party
 36 entitled to said lien shall personally notify said purchaser of said lien,
 37 Provided, That said sale is made within the ten (10) day period
 38 immediately following the date of the performance of such work. This

- 1 lien may be enforced as other liens are enforced."
- 2 Renumber all SECTIONS consecutively.
 (Reference is to SB 357 as printed February 23, 2001.)

and when so amended that said bill do pass.

Representative Dvorak